

East Jordan Family Health Center
601 Bridge Street
East Jordan, MI 49727

Contact Name:	Daniel McKinnon, Executive Director
Contact Phone Numbers:	Voice: (231) 536-2206 Ext. 201
	Fax: (231) 536-9864
E-Mail Address:	mckinn@gtlakes.com

The East Jordan Family Health Center was incorporated in 1976 by a concerned group of community leaders to address the lack of local health service providers. Initially serving the City of East Jordan and surrounding townships, the organization has grown to serve most of Charlevoix and Antrim Counties. With the addition of satellite offices in Bellaire (1999) and Central Lake (2002), services are now provided to 10,362 users who received 33,543 medical visits in 2005. Presently, seven physicians, three physician assistants and a nurse practitioner are employed full-time, as well as nearly 50 clinical support and administrative employees.

Patients access primary health care, radiology services including mammography, and laboratory services directly, and are able to access dental services, optometric services, pharmacy services through referral from staff clinicians. These services are available to all users; income eligible patients are able to obtain sliding fee discounts to help them afford the care that they need. Two of the physicians provide obstetrical care and deliver babies at the Charlevoix Area Hospital. Three of the physicians are providing inpatient services at the same hospital. Staff clinicians provide medical care to residents of county owned long-term care facilities in East Jordan and Bellaire, which lessens the need for transporting patients out of their familiar surroundings.

East Jordan Family Health Center is one of the only participating providers in the area for patients insured by TriCare (U.S. Military personnel and their families), and collaborates with Northern Health Plan to provide services to residents enrolled in a State of Michigan sponsored plan for the very poor that are ineligible for Medicaid. More than half of the medical visits are provided to patients insured by Medicaid or Medicare.

The health center has participated in the BPHC sponsored patient visit redesign collaborative and is presently engaged in Phase I of the BPHC's health disparities collaborative to improve clinical outcomes for diabetic patients. The health center is also participating with Michigan Primary Care Association and the State of Michigan to mentor two non-FQHC clinical sites on the use of the nationally acclaimed chronic care model.

The health center is a 501(c)3 nonprofit corporation, exempt from Federal income taxation, exempt from State of Michigan sales taxes and had been exempt from property taxation. The centers are all located within Health Provider Shortage Areas (HPSA) and serve Medically Underserved Areas/Populations (MUA/MUP). This enabled the health center to obtain National Health Service Corp loan repayment assistance for physician candidates, which has helped our recruitment and retention rates.

EAST JORDAN FAMILY HEALTH CENTER

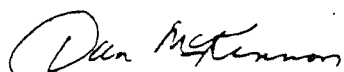
The East Jordan Family Health Center first experienced difficulty with property taxation in 2001 at our Bellaire location. In 1999, we were approached by Burns Clinic and advised that they were planning to divest of their satellite in Bellaire. Not wanting to leave the community without local health services, our Board of Directors chose to lease the building and hire the employees for a 15-month trial period. In July of 2000 the building was purchased. In 2001 we applied for property tax exemption and were denied by exempt status by the Kearney Township assessor and later by the local Board of Review. We petitioned to the Michigan Tax Tribunal for exemption. Later that year, both the health center and the township agreed that the property should be exempt and a Consent Resolution approving the exempt status was filed with the Michigan Tax Tribunal.

In October 2002 the organization acquired the property owned in Central Lake from Dr. James Arnold. I contacted the local assessor early in 2003 to discuss exemption of that parcel. Our request for exemption was denied by the assessor but was approved by the Central Lake Board of Review. However, we still were assessed and received a tax bill for our Central Lake property. Ironically, at that time we also received a notice from the Kearney Township assessor that our exemption in Bellaire was revoked. The Kearney Township Board of Review denied our request for exemption even though we had previously agreed to a consent judgment at the Tax Tribunal. We had not changed our operations in any way that should have affected our exempt status. We were also contacted by the East Jordan assessor and informed that the regional tax commissioner from Traverse City was directing her to revoke the exempt status of the property located in East Jordan that had previously been tax exempt. We received a notice of assessment and tax bill for our East Jordan property too. Our appeal has been pending with the tribunal and we have had to commit scarce funds to this matter while we have awaited a decision. To date we have paid nearly \$100,000 in property taxes for 2003, 2004 and 2005 and incurred legal fees challenging the decision of local assessors that have compared our nonprofit status to that of area "rod and gun clubs". Our average cost per patient visit is approximately \$100. If the health center is subject to property taxes, funds that would otherwise serve more than 330 patient visits annually would be unavailable for medical services, further limiting access for a very vulnerable population and likely result in increased costs for treatment in emergency rooms or inpatient stays at hospitals as a result of delaying treatment.

I respectfully request on behalf of the East Jordan, Bellaire and Central Lake Family Health Centers, as well as the other Federally Qualified Health Centers in Michigan that you approve SB 784 for Senate action.

Thank you for your consideration of this matter.

Respectfully submitted,



Dan McKinnon

WHAT IS A COMMUNITY HEALTH CENTER?

Health Centers are characterized by **five essential elements** which differentiate them from other providers:

- o They must be **located in high-need areas**;
- o They must **provide comprehensive primary health care services** to their patients;
- o Their services must be available to all residents of their service areas, with **charges based upon ability to pay**;
- o They must be **governed by community boards**, thus ensuring their accountability and responsiveness to local needs; and
- o They must meet **other performance and accountability requirements** regarding their administrative, clinical, and financial operations.

The following provides more details on each of the above elements:

- o **Need:** Health centers must serve one or more areas or population groups that are designated as Medically Underserved (MUAs/MUPs). These areas or groups are so designated because they have higher-than-average rates of poverty, infant mortality, and elderly persons, and significant shortages of primary care providers. State Governors can also request the Department of Health and Human Services to designate other areas or populations that have high unmet needs or shortages of providers.
- o **Services:** Health centers must provide or arrange for the provision of at least the following services:
 - * Primary health care by physicians (family or practice, pediatrics, general internal medicine, and obstetrics) and mid-levels (physician assistants, nurse practitioners and nurse midwives);
 - * Maternity care for pregnant women (prenatal, delivery, and postpartum care);
 - * Preventive, developmental, diagnostic, and treatment services for infants and children (including immunizations, well-child care, etc.);
 - * Adult preventive services (Pap smears, glaucoma screening, breast/colon exams, etc.)
 - * Diagnostic laboratory and radiology services;
 - * Emergency care for minor trauma;

- * **Pharmaceutical services;**
- * **Patient case management (including, as appropriate, outreach, counselling, referral for specialty care, and follow-up);**
- * **As necessary, translation services if a substantial portion of patients speak little or no English.**

Health centers must also provide after-hours emergency care on a 24-hour basis to their patients. Although they do not pay for inpatient care, their physicians must have admitting privileges at local hospitals, and must admit and follow patients needing such care.

Centers may (but are not required to) provide other services, such as home health or mental health care.

- o **Service Charges:** Health center services must be available to all service area residents regardless of ability to pay;
 - * If patients have private insurance, they must bill the insurance for covered services;
 - * Centers by law, must accept Medicare and Medicaid, and must bill those programs for services to beneficiaries;
 - * For uninsured patients or other out-of-pocket costs, centers must charge no fee, or a nominal fee, for those with incomes below poverty, on a sliding scale from zero to 100 percent of their fees for those with incomes between 100 and 200 percent of poverty, and their full fees for those above 200 percent of poverty.
- o **Community Governance:** Each health center must be a local private nonprofit corporation or public agency, and must be governed by a board of directors, a majority of whose members must be registered, active patients of the center and who, as a group, are representative of the patients served. These governing boards set policy covering services provided, hours of operation, annual budgets and staffing, and the like. [NOTE: More than 10 percent of all grantee health centers are public agencies (health departments and hospitals), each of which meets the governance requirement through use of a co-applicant agreement with a community-based organization that sets policy for the health center's operations].
- o **Other Performance and Accountability Requirements:** In addition to meeting the above requirements, each health center must –

- **Make its services available and accessible (subject only to capacity limitations) to all individuals in its service area, in a manner that assures continuity (NOTE: exceptions are allowed for centers that serve only migrant/seasonal farmworkers or homeless persons);**
- Maintain an ongoing quality assurance program and a system to protect confidentiality of patient records;
- Have an ongoing referral relationship with one or more hospitals;
- Comply with all federal accounting procedures related to the funding it receives, and submit an annual independent audit of its complete operations;
- Participate as a provider in Medicare, Medicaid, the State Children's Health Insurance Program (CHIP), or any other federal or state health insurance program;
- Make "every reasonable effort" to collect payments for its services from patients (with discounts) and from all third-party payers (without discounts);
- Provide its services in the most appropriate language and cultural context for its patients;
- Submit all required reports on its activities, including reports on expenditures and costs of operation, utilization patterns, and the availability, accessibility, and acceptability of its services;
- Review its service area regularly to assure continued availability and accessibility of services, conformance with other (e.g., political, school) area boundaries, and elimination (as much as possible) of other barriers to access for patients; and -
- Continue serving any medically underserved populations in its service area, and continue meeting all other requirements listed above.

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
MICHIGAN TAX TRIBUNAL

EAST JORDAN FAMILY HEALTH CENTER, INC.,
a Michigan non-profit corporation,
Petitioner

v

MTT Docket No. 0282382

KEARNEY TOWNSHIP, ANTRIM COUNTY, MICHIGAN,
Respondent

BARRON & GOLSKI, P.L.C.
Harry K. Golski (P25177)
Attorneys for Petitioner
P.O. Box 309
Charlevoix, Michigan 49720
(231) 547-9950

TOWNSHIP OF KEARNEY
Timothy Comben, Supervisor
Carol Clark, Assessor
P.O. Box 51
Bellaire, MI 49615
(231) 533-8519

STIPULATION FOR
ENTRY OF CONSENT JUDGMENT

Petitioner and Respondent stipulate to the Entry of Consent Judgment in accordance with the following:

1. This matter involves an exemption appeal relative to the 2001 taxable value of Petitioner's real property located in the Township of Kearney and identified on the tax rolls as Parcel No. 05-41-010-051-00.

2. The original assessed values, state equalized value and taxable value of the subject real property for the tax year 2001 are as follows:

	<u>Assessed Value</u>	<u>State Equalized Value</u>	<u>Taxable Value</u>
2001	\$ 164,200	\$ 164,200	\$ 164,200

3. The parties stipulate that Petitioner, East Jordan Family Health Center, Inc., is a non-profit charitable institution and is exempt from real and personal property taxes pursuant to MCL 211.7o, 211.7r and 211.9 (a).

4. The 2001 assessed value, state equalized value and taxable value of the subject real property are hereby stipulated to be as follows:

	Assessed Value	State Equalized Value	Taxable Value
2001	\$ 164,200	\$ 164,200	- 0 -

5. The local school district is the Bellaire School District and the intermediate school district is the Traverse Bay Area Intermediate School District.

6. All tax collecting officers shall refund any amounts due within twenty (20) days after the entry of the Consent Judgment.

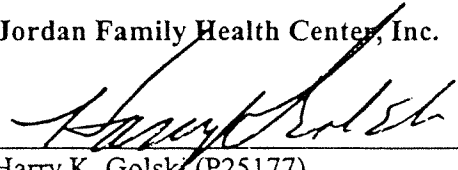
7. The refunds shall bear interest as provided by the Tax Tribunal Act from the date the tax was paid to the date the refunds are paid.

8. The refund check shall be payable to Petitioner. All refund checks shall be mailed % Petitioner's attorney.

The parties respectfully request that a Consent Judgment be entered by the Michigan Tax Tribunal consistent with the terms recited in this stipulation.

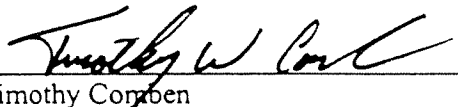
East Jordan Family Health Center, Inc.

Dated: Aug 23, 2001

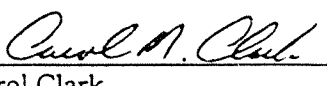
By: 
Harry K. Golski (P25177)
Attorney for Petitioner

Township of Kearney, Antrim County

Dated: 8-9-01

By: 
Timothy Corben
Its: Supervisor

Dated: 8.13.01

And By: 
Carol Clark
Its: Assessor

EAST JORDAN FAMILY HEALTH CENTER

LOCATION	PERIOD	AMOUNT	Sub-total
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BELLAIRE FAMILY HEALTH CENTER

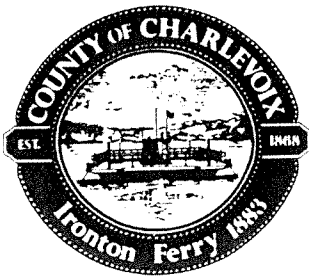
Village of Bellaire	Paid 9/11/2003	3,440.78	
Village of Bellaire	Paid 9/11/2003	5,282.96	
Kearney Twp Treasurer	Paid 02/12/2004	2,002.13	
Village of Bellaire	Paid 9/13/2004	3,488.41	
Village of Bellaire	Paid 9/13/2004	5,591.39	
Kearney Twp Treasurer	Paid 02/08/2005	2,022.83	
Kearney Twp Treasurer	Paid 09/06/2005	6,375.33	
Village of Bellaire	Paid 09/06/2005	3,736.61	
Kearney Twp Treasurer	Paid 02/20/2006	79.22	
Kearney Twp Treasurer	Invoice 1/23/2006	1,771.95	33,791.61

CENTRAL LAKE FAMILY HEALTH CENTER

Central Lake Township	Paid 9/15/2004	719.91	
Central Lake Township	Paid 9/29/2004	363.52	
Central Lake Township	Paid 09/06/2005	468.03	
Central Lake Village	Paid 09/06/2005	723.55	
Central Lake Township	Paid 02/08/2005	1,965.13	
Central Lake Township	Invoice 1/23/2006	1,883.36	6,123.50

EAST JORDAN FAMILY HEALTH CENTER

City of East Jordan	Paid 7/30/2004	1,641.05	
City of East Jordan	Paid 7/30/2004	10,685.02	
City of East Jordan	Paid 02/08/2005	14,191.45	
City of East Jordan	Paid 02/08/2005	2,179.54	
City of East Jordan	Paid 7/20/2005	11,364.95	
City of East Jordan	Paid 7/20/2005	1,642.34	
City of East Jordan	Paid 7/20/2005	1,253.02	
City of East Jordan	Paid 02/20/2006	1,947.89	
City of East Jordan	Paid 02/20/2006	1,486.14	
City of East Jordan	Invoice 1/23/2006	13,479.65	59,871.05
			99,786.16



A MICHIGAN HISTORICAL SITE

JOAN Y. BLANCHARD, Director
Charlevoix County Equalization Department

301 STATE ST. / COUNTY BUILDING
CHARLEVOIX, MICHIGAN 49720

Telephone (616) 547-7230

January 10, 1990

Mr. Neal Colburn, Administrator
East Jordan Family Health Center
601 Bridge St. P.O. Box 718
East Jordan, MI 49727

Re: 15-53-023-039-20

Dear Mr. Colburn,

According to our records, the East Jordan Family Health Center in the City of East Jordan listed under property code number 15-53-023-039-20 is exempt from the ad valorem property tax.

Sincerely yours,

Joan Y. Blanchard
City of East Jordan Assessor

JYB:rf

**MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
NONPROFIT CORPORATION INFORMATION UPDATE**



2005

FOR BUREAU USE ONLY	
Identification Number <div style="font-size: 1.2em; font-weight: bold;">865058</div>	Corporation name EAST JORDAN FAMILY HEALTH CENTER
Resident agent name and mailing address of the registered office THOMAS CURTIN, M.D. 601 BRIDGE STREET EAST JORDAN MI 49727	
The address of the registered office 601 BRIDGE STREET EAST JORDAN MI 49727	

☐ To certify there are no changes from your previous filing check this box and proceed to Item 6. If the resident agent and/or registered office has changed complete items 1-6. If only officer and director information has changed complete items 4-6.

1. Mailing address of registered office in Michigan (may be a P.O. Box)	2. Resident Agent
3. The address of the registered office in Michigan (a P.O. Box may not be designated as the address of the registered office)	

4. Describe the purpose and activities of the corporation during the year covered by this report: <div style="padding-left: 20px;">Outpatient primary health care</div>

5.	NAME	BUSINESS OR RESIDENCE ADDRESS
If different than President	President (Required) Thomas Curtin, M.D.	3657 Boyne City-East Jordan Rd., East Jordan MI 49727
	Secretary (Required) Stacey Chipman	3888 Mt. Bliss Rd., East Jordan, MI 49727
	Treasurer (Required) Robert Vance	03245 Bridge Drive, East Jordan, MI 49727
	Vice President Margaret Beck	5084 Mr. Bliss Road, East Jordan, MI 49727
If different than Officers	Director (Required) Fern Morris Marcia Gibbard	943 Morris Rd., East Jordan, MI 49727 P.O. Box 198, East Jordan, MI 49727
	Director Tim Goebel Charlotte Lundy	7359 Meadow Lane, Bellaire, MI 49615 P.O. Box 157, Eastport, MI 49627
	Director Kimberly Fernandez Patricia Lowery	2503 Muckle Road, Central Lake, MI 49622 5911 Shanty Creek Road, Bellaire, MI 49615

6. This report is due on or before October 1, 2005.
The filing fee is \$20.00.

Please make your check or money order payable to the State of Michigan.
Return to: Michigan Department of Labor & Economic Growth
Bureau of Commercial Services, Corporation Division
P.O. Box 30767
Lansing, MI 48909
(517) 241-8470

Signature of authorized officer or agent 	Title Executive Director	Date Sept. 30, 2005	Phone (Optional) (231) 536-2206 X201
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This is to Certify That

EAST JORDAN FAMILY HEALTH CENTER, A NONPROFIT CORPORATION

was validly incorporated on OCTOBER 5, 1976 *, as a Michigan corporation, and said corporation is validly in existence under the laws of this State.*

This certificate is issued to attest to the fact that the corporation is in good standing in this office as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose. It is in the usual form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 12TH day of OCTOBER, 19 90

Larry L. Meyer Director



STATE OF MICHIGAN

DEPARTMENT OF TREASURY

TREASURY BUILDING

LANSING, MICHIGAN 48922

making tax exempt sales. The exempt organization may reproduce this form.

JOHN ENGLER, Governor

DOUGLAS B. ROBERTS, State Treasurer

NP-0002531

THIS EXEMPTION FORM IS NOT TRANSFERABLE
TO ANOTHER INDIVIDUAL OR ENTITY.

Effective Date January 16, 1990

EAST JORDAN FAMILY HEALTH CENTER, INC.
601 BRIDGE STREET
EAST JORDAN, MI 49727-9301

This letter serves as notice to a seller that your organization qualifies to buy goods and services without paying the Michigan sales or use tax. **TREASURY DOES NOT ISSUE TAX EXEMPT NUMBERS.**

To buy goods and taxable services without paying a sales or use tax, present:

- a copy of this letter, and
- a completed certificate (below) certifying to the seller that the goods or services being purchased are for purposes of the organization and are being paid for from organizational funds. The seller must keep a copy of this certificate with the record of the sale.

Please note the following.

- This exemption does not apply to the purchase of tangible personal property or to the purchase of vehicles that are not used primarily to carry out the purposes of your organization as stated in your bylaws or articles of incorporation.
- Employees or members may NOT use this exemption to purchase goods or services for personal use.

The Michigan Department of Treasury may review your exempt status at any time to verify your eligibility. If the Internal Revenue Service revokes your exempt status under section 501 (c)(3) or 501 (c)(4), if a Treasury audit discovers non-exempt status, or if for any other reason your organization no longer qualifies for exemption, then your organization is subject immediately to sales or use tax on its purchases.

Please notify us if you have a name or address change. If you have questions, please contact this office at 517 - 373-3190.

Sincerely,

Jesse A. Weaver, Administrator
Sales, Use and Withholding Taxes Division

CERTIFICATE REQUIRED FOR TAX-EXEMPT SALES

I certify that the item or items being purchased are to be used or consumed in connection with the operation of the exempt institution or agency named above and that the consideration for this purchase moves from the funds of the designated institution or agency. In the event this claim is disallowed, the transferee promises to reimburse the seller for the amount of tax involved.

Signature of Authorized Representative of Non-Profit Organization

Date

Address any reply to: P. O. Box 30510, Detroit, MI 48226
~~520 Cadillac Tower, Detroit, Michigan 48226~~

Department of the Treasury

U. S. Savings Bonds
(313) 222-7330 (Not Toll Free)

District Director

Internal Revenue Service

Date: SEP 1 1977 In reply refer to: E:O:201:116
L-391 77-496



► East Jordan Family Health Center
301 Main St.
East Jordan, Michigan 49727

Gentlemen:

Accounting Period Ending: June 30th
Form 990 Required: ☐ Yes ☐ No
Advance Ruling Period Ends: June 30, 1978

Based on the information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization so long as you continue to meet the requirements of the applicable support test. If, however, you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, in the event you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. In addition, if you submit the required information

within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions concerning these taxes, please let us know.

If your sources of support, or your purposes, character, or method of operation is changed, you should let us know so we can consider the effect of the change on your status. Also, you should inform us of all changes in your name or address.

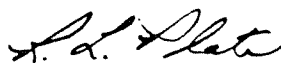
If the yes box at the top of this letter is checked, you are * required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$5,000. The return is due by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file the return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

* Note: This filing requirement was changed for tax years ending on or after December 31, 1973 to \$10,000.

Sincerely yours,



District Director